

B. Sc. (Hospitality & Hotel Administration) Sem – VI 2010 Course) :
SUMMER - 2019

SUBJECT : FINANCIAL MANAGEMENT

Day : Friday
Date : 03/05/2019

S-2019-2509

Time : 10.00 AM To 01.00 PM
Max. Marks : 80

N.B.:

- 1) Attempt ANY SIX questions Q.No.1 which is **COMPULSORY**.
- 2) Use of non-programmable **CALCULATOR** is allowed.
- 3) Figures to the right indicate **FULL** marks.
- 4) Assume suitable data if necessary.

Q.1 The following are the Balance Sheets of 'A' Ltd. as on 31st March, 2014 and 31st March 2015: [20]

Balance Sheet

Liabilities	31st Mar 2014	31st Mar 2015	Assets	31st Mar 2014	31st Mar 2015
Equity Share Capital	4,00,000	5,00,000	Fixed Assets	6,00,000	5,70,000
10% Preference Share Capital	2,00,000	---	Debtors	1,20,000	1,40,000
5% Debentures	1,50,000	2,00,000	Stock	2,00,000	1,80,000
Profit and Loss A/c	1,00,000	60,000	Cash	90,000	60,000
Creditors	1,50,000	1,40,000	Preliminary Expenses	60,000	40,000
Proposed Dividend	60,000	70,000			
Bank Overdraft	10,000	20,000			
Total	10,70,000	9,90,000	Total	10,70,000	9,90,000

Additional Information:

- a) Depreciate Fixed Assets @ 15%.
- b) Interim dividend paid during the year was Rs. 40,000.
Prepare Cash Flow Statement.

Q.2 Write short notes on ANY THREE of the following: [12]

- a) Objectives of Financial Management
- b) Time Value of Money
- c) Importance of Capital Budgeting
- d) Importance of Pricing

Q.3 The following data is available from the records of M/s. Jitendra Ltd. [12]

Particulars	Rs.	Particulars	Rs.
Sales	25,20,000	Fixed Assets	14,40,000
Cost of Sales	19,20,000	Net worth	15,00,000
Average Stock	8,00,000	Current liabilities	6,00,000
Net Profit	3,60,000	Long-term Debt	9,00,000
Other Current Assets	7,60,000		

Note: Closing Stock was Rs. 60,000 more than the opening stock.

Calculate:

- a) Gross profit Ratio
- b) Net Profit Ratio
- c) Stock Turnover Ratio
- d) Current Ratio
- e) Liquid Ratio
- f) Proprietary Ratio

P.T.O.

- Q.4** a) Define: i) Ratio [06]
 ii) Working Capital iv) Cash inflow
 iii) Budget v) Current Assets
vi) Average Stock
- b) Distinguish between Liquidity and Profitability. [06]

Q.5 The following data are given for production of 15,000 units: [12]

Particulars	Variability	Amount (Rs.)
Materials	100% Variable	7,50,000
Labour	100% Variable	4,50,000
Power	80% Variable	45,000
Repairs	75% Variable	60,000
Inspection	20% Variable	15,000
Depreciation	100% Fixed	30,000
Sales	100% Variable	22,50,000

Prepare a Flexible Budget to find out Total Cost and Per Unit Cost. Total profit and per unit profit for the production of 20,000 units.

- Q.6** a) What are the limiting factors to be considered while preparing a budget for hotel and catering industry? [06]
- b) Discuss pricing methods. [06]

Q.7 A company is considering an investment proposed to install a new machinery at a cost of Rs. 3,00,000. The estimated cash flows and the present value of Rs. 1 at a 10% discounting factor is given below: [12]

Year	Cash flows (Rs.)	Discount factor @ 10%
1	60,000	0.909
2	70,000	0.826
3	80,000	0.751
4	90,000	0.683
5	1,20,000	0.621

Evaluate the above proposal by adopting:

- a) Pay back period.
- b) Average rate of return on original investment.
- c) Net Present Value @ 10% discount factor.
- d) Profitability index @ 10% discounting factor.
- Q.8** Attempt ANY THREE of the following: [12]
- a) State the advantages of 'Net Present Value'.
- b) Give the advantages of budgetary control.
- c) State the importance of Working Capital.
- d) Give the advantages of Funds Flow Statement

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